Union of Myanmar Form (2) Sr. No. 0935 Dated 30.9.96 Myanmar Investment Commission

The Myanmar Investment Commission

PERMIT

Permit No. 211/96 *Date* 30th SEPTEMBER 1996

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. KWOK KIAN HAI

(b) Citizenship SINGAPOREAN

(c) Address 15, CARPENTER STREET SINGAPORE 059904

(d) Name and address of principal organization KOG INVESTMENTS PTE LTD 15, CARPENTER STREET, SINGAPORE 059904

(e) Place of incorporation SINGAPORE

(f) Type of business in which investment is to be made PRODUCTION, SALES AND DISTRIBUTION OF EDIBLE OILS, FLOUR, INSTANT NOODLES, PACKAGING MATERIALS & ANIMAL FEEDS

(g) Place (s) at which investment is permitted THANLYIN - KYAUKTAN INDUSTRIAL PARK

(h) Amount of foreign capital US $ 95.0 MILLION

(i) Period for bringing in foreign capital 5 YEARS

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 95 MILLION

(k) Permitted duration of investment 50 YEARS

(l) Name of the economic organization to be formed in Myanmar YANGON OILS AND GRAINS LIMITED

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
စာအမှတ် [illegible]
နေ့စွဲ ၃.၁၀.၉၆

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၂၁၁/၉၆ .... ၁၉၉၆ ခုနှစ်၊ စက်တင်ဘာလ ၃၀ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. KWOK KIAN HAI

(ခ) မည်သည့်နိုင်ငံသား SINGAPOREAN

(ဂ) နေရပ်လိပ်စာ 15, CARPENTER STREET
SINGAPORE 059904

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ KOG INVESTMENTS PTE LTD
15, CARPENTER STREET, SINGAPORE 059904

(င) ဖွဲ့စည်းရာအရပ်
SINGAPORE

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား စားသုံးဆီ၊ ဂျုံ၊ အသင့်စား ခေါက်ဆွဲနှင့် တိရစ္ဆာန်အစားအစာများ ထုတ်လုပ်၊ ဖြန့်ဖြူး၊ ရောင်းချခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ)
သန်လျင် - ကျောက်တန်း စက်မှုဇုန်

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန် ဒေါ်လာ ၉၅.၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ
၅ နှစ်

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်)
အမေရိကန်ဒေါ်လာ ၉၅ သန်းနှင့်ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၅၀ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည်
YANGON OILS AND GRAINS LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/353/96(0935)
Dated : 30 September 1996

Tel : 272009, 272855
Fax : 095-01-282101
Tlx : 21368 INVEST BM

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Production, Sales and Distribution of Edible Oils, Flour, Instant Noodles, Packaging Materials and Animal Feeds" under the name of "Yangon Oils and Grains Ltd.".

1. The Myanmar Investment Commission, at its meeting 14/96 held on 20-9-96 had reviewed the proposal for investment in "Production, Sales and Distribution of Edible Oils, Flour, Instant Noodles, Packaging Materials and Animal Feeds" under the name of "Yangon Oils and Grains Ltd." submitted by KOG Investments Pte. Ltd. of Singapore as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 32/96 held on 25-9-96 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 50(Fifty) years.

4. Thanlyin-Kyauktan Development Co., Ltd. shall collect from Yangon Oils and Grains Ltd. the annual rent at the rate of US $ 0.9 per square metre per annum of the project area [30 acres (121406 square metres)] to the amount of US $ 110,000 (United States Dollars One Hundred and Ten Thousand Only) and shall then pay to the State.

5. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(a), exemption from income-tax up to three consecutive years from the year of commencement of operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Yangon Oils and Grains Ltd. shall apply for such exemption only after 3-year tax holiday period.

(c) As per Section-21(c), Yangon Oils and Grains Ltd. shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Yangon Oils and Grains Ltd. shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(e), Yangon Oils and Grains Ltd. shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(e) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(f) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Yangon Oils and Grains Ltd.. shall apply, upon actual performance of such research and development programme, only after 3-year tax holiday period.

(g) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Yangon Oils and Grains Ltd. shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(h) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(i) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Construction.

6. Yangon Oils and Grains Ltd. shall have to sign the Lease Agreement with Thanlyin-Kyauktan Development Co., Ltd.. After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.

7. Yangon Oils and Grains Ltd., in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered.

After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

8. Yangon Oils and Grains Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit" or from the date of signing of the Lease Agreement whichever comes later, this "Permit" shall be null and void.

9. The official date of operation shall be reported to the Commission.

10. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal.

11. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

12. Whenever Yangon Oils and Grains Ltd. brings in foreign capital defined under Section 2(h) of the Law, other than foreign currency in the manner stated in paragraph 11(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

13. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

14. Yangon Oils and Grains Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

15. Yangon Oils and Grains Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

16. Yangon Oils and Grains Ltd. shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

17. Yangon Oils and Grains Ltd., in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

By Order,

Brig-Gen Maung Maung
Secretary
(Minister at the Deputy Prime Minister's Office)

Mr. Kwok Kian Hai
KOG Investments Pte. Ltd.
c/o Director General
Department of Human Settlement and Housing Development

cc:
1. Office of the Chairman of State Law and Order Restoration Council
2. Office of the State Law and Order Restoration Council
3. Office of the Government of the Union of Myanmar
4. Deputy Prime Minister's Office
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Construction
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
14. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)

15. Director General, Directorate of Investment and Company Administration
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Director General, Directorate of Trade
22. Director General, Immigration and Manpower Department
23. Director General, Directorate of Labour
24. Chairman, Union of Myanmar Chamber of Commerce and Industry